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DE RUEHNE #1620/01 2151135 ZNR UUUUU ZZH (CCY ADX9798BA MSI9296 - 648) O 031135Z AUG 09 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 7583 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 7865 RUEHMO/AMEMBASSY MOSCOW 3595 RUEHLO/AMEMBASSY LONDON 6680 RUEHFR/AMEMBASSY PARIS 1844 RUEHRL/AMEMBASSY BERLIN 1432 RUEKJCS/SECDEF WASHDC RUEAIIA/CIA WASHDC RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/HQ USPACOM HONOLULU HI RUCNDT/USMISSION USUN NEW YORK 8348 RUEHGV/USMISSION GENEVA 8493 RUEKJCS/JOINT STAFF WASHDC RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL

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SENSITIVE

C O R R E C T E D C O P Y - PARA 4 TEXT

SIPDIS

E.O. 12958: N/A

TAGS: PREL PGOV PTER MASS KDEM IN

SUBJECT: PM SINGH DEFENDS FOREIGN POLICY IN PARLIAMENT (CORRECTED COPY)

REF: A. NEW DELHI 1485 ¶B. ISLAMABAD 1674

11. (SBU) SUMMARY: Prime Minister Singh defended his government's handling of foreign policy before the Lok Sabha (lower house of Parliament) on July 29, addressing head-on opposition criticism of the joint statement with Pakistani Prime Minister Gillani at Sharm el-Sheikh, and ancillary gripes about the government's wavering on climate change policy and the recently concluded agreement on End Use Monitoring (EUM). Although the PM's emphatic defense seems to have satisfied most analysts, the opposition BJP still staged a walk-out on July 30 as it struggles to find traction with voters in advance of important state assembly elections. The Congress party stood solidly united behind PM Singh's statements, despite earlier rumors of a rift. Concerns about EUM and climate change already appear to be fading from the headlines. END SUMMARY.

OPPOSITION: "ALL THE WATERS OF SEVEN OCEANS WILL NOT WASH AWAY THE SHAME OF SHARM EL-SHEIKH8

12. (U) On July 29, former BJP External Affairs Minister Yashwant Sinha led the opposition's charge in the Lok Sabha (lower house of Parliament) against Prime Minister Singh's acquiescence to controversial language on terrorism and the Indo-Pakistani dialogue in a July 16 joint statement. also honed in on a reference to Baluchistan in the statement that appeared to imply Indian meddling there (Ref A). Sinha warned that the allusion to Indian involvement in Baluchistan was "a grave error" and accused the Prime Minister of acting unilaterally on foreign-policy issues and orchestrating a &complete turnaround8 on relations with Pakistan. Sinha alleged that the Prime Minister had joined &the Pakistan camp in Egypt8 and poked at the Congress party's public reluctance to support the Prime Minister. Sharad Yadav, leader of the Janata Dal United, advocated consensus and complained that the Congress-led UPA coalition was "not taking opposition leaders into confidence.

13. (U) Deviating from the usual debate format, the Prime Minister did not wait ntil all opposition speakers had taken the stage to deliver his rejoinder, defending head-on not only the government's policies on Pakistan, but also responding to questions raised about End Use Monitoring (EUM) of U.S. defense items and the government's stance on climate change. Singh stood by his statement in Sharm el-Sheikh, stressing that Pakistan had nothing to hide with regard to alleged actions in Baluchistan, adding that India had &no interest in de-stabilizing Pakistan.8 He pointed out that Pakistan's government had admitted involvement of their citizens in cross-border terrorism, a concession that the BJP-led government had not been able to extract from Pakistan. He quoted President Reagan's "trust but verify" approach to U.S.-Soviet relations as an example India should follow with Pakistan, pointing out that talking to another country did not dilute India's resolve to fight terrorism. Singh pointed out that former NDA Prime Minister and BJP leader Atal Bihari Vajpayee had been willing to talk to then-Pakistani President Pervez Musharraf even after the 1999 Pakistani incursion at Kargil and the 2001 attack on India's Parliament. He stressed the importance of direct talks with Pakistan, stating that war was the only alternative to diplomatic exchange. "Long-term involvement of foreign powers8 was not acceptable to India, he said, underlining that relying on "external partners" to negotiate with Pakistan was ineffective.

EUM DOES NOT INFRINGE ON INDIA'S SOVEREIGNTY

¶4. (U) In his broader defense of the UPA government's handling of foreign policy, PM Singh also defended the bilateral agreement with the U.S. on End Use Monitoring (EUM) language which was announced during Secretary Clinton's July visit. Asserting that EUM does not compromise India's sovereignty, Singh reminded the opposition that prior governments had concluded similar agreements, in some cases with more onerous terms. Highlighting the need for modern and cutting-edge equipment for the Indian armed forces, he characterized EUM as a "generic formulation" that would allow future defense sales to be expedited. He stressed that India must seek equipment and technology from various global sources. The opposition did not raise EUM again in the July 30 session. (Comment: The text of this agreement has not been released or shared with the press. If, or when it is, this issue is likely to gain attention again. End Comment.)

INDIA STANDS FIRM ON CLIMATE CHANGE

¶5. (U) Singh also touched on the issue of climate change, repeating his administration's assertion that India would not agree to emissions caps or take any action that would compromise on its commitment to sustainable development and economic growth. Conceding that agreeing to the two degree threshold for global action at the July Major Economies Forum was a new feature of India's climate change policy, Singh declared that this would not compromise his administration's stated economic goals.

RE-UNITED UPA

16. (U) On the morning of July 30, Congress President Sonia Gandhi met with Congress party members of parliament to consolidate party-wide support for PM Singh. MP Rahul Gandhi also spoke strongly in favor of the PM's approach and said that Congress was as "one" on this issue. In Parliament, Finance Minister and Congress Party heavy weight Pranab Mukherjee emphasized the continuity of Indian foreign policy. He stressed that "talking does not mean surrender," and stated that India had no intention of exporting terror to any nation. BJP members staged a walk-out in response. Not

surprisingly, the MEA was pleased with the PM's performance, arguing to us that the statement had completely clarified the situation and that "the ruckus should soon be over."

COMMENT: FOREIGN POLICY VERSUS STATE ELECTIONS

17. (SBU) The parliamentary debate was a piece of political theater that had more to do with the BJP's near-term concerns about upcoming state assembly elections in Maharashtra than it did with foreign policy issues. The BJP and the Left parties have both been casting around for an issue that will gain traction with Indian voters after the drubbing they took in this past spring's parliamentary elections. The BJP's charge that Congress has been weak when dealing with Pakistan is likely to be a continuing theme. What is noteworthy is the continuing concern within Congress -- subsequently addressed by Sonia Gandhi -- that the PM's approach may have given away too much. Singh came across as a forceful, but not naive, advocate for peace with Pakistan, but he may have gotten too far out in front of the rest of his party. The fallout from the Sharm joint statement will likely be a more cautious approach from the government in Foreign S ecretary-level talks that are slated to take place before the Foreign Ministers meet on the margins of UNGA in September. ROEMER